98TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 98-153
Part 1

FEDERAL CAPITAL INVESTMENT PROGRAM INFORMATION ACT

MAY 16, 1983.—Ordered to be printed

Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 1244 which on February 3, 1983, was referred jointly to the Committee on Government Operations and the Committee on Public Works and Transportation]

[Including cost estimate of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 1244) to amend the provisions of title 31, United States Code, relating to the President's budget to require it to separately identify and summarize the capital investment expenditures of the United States, to amend the Public Works and Economic Development Act of 1965 to require the Secretary of Commerce to conduct an inventory and assessment of the Nation's public facilities, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendment to the text of the bill is a complete substitute therefor and appears in italic type in the reported bill.

The title of the bill is amended to reflect the amendment to the text of the bill.

HISTORY

H.R. 1244 was introduced on February 3, 1983, and was jointly referred to the Committee on Public Works and Transportation and to the Committee on Government Operations. The Public

11-006 O

H643-4

Works and Transportation Subcommittee on Economic Development held five days of hearings on H.R. 1244, the Federal Capital Investment Program Information Act, on April 20, 21, 26, 27 and May 3, 1983. These hearings continued the examination of capital budgeting which the Subcommittee began during the 97th Congress.

The Subcommittee on Economic Development held four days of hearings on September 14, 15, 21 and 22, 1982, on a similar capital budgeting measure, H.R. 6591. The findings and conclusions of the hearings by the Subcommittee during the 97th Congress are contained in Public Works and Transportation Committee Print 97–69.

Throughout the hearings, a score of expert witnesses endorsed capital budgeting as a practical way to evaluate and set priorities for long-term public works investment. The Director of the Office of Management and Budget testified on H.R. 1244 at the May 3 hearing. He expressed that agency's concerns over the breadth and scope of information that would be required under H.R. 1244. In order to address these concerns, a substitute measure was developed with the assistance of OMB and adopted in lieu of the original provisions of H.R. 1244. This substitute reduced to a more manageable level the budget presentation of capital expenditures, while responding to the Committee's desire to expand the analytical information on civilian public capital facilities and the total costs of these items.

The Subcommittee held markup on May 5, 1983, and the full Committee ordered the bill reported on May 11, 1983, by voice vote.

Introduction

During the course of extensive hearings over the 97th and 98th Congresses the concept of a capital budget was examined as a management tool to help Congress and the Executive Branch develop a rational approach to public investment in capital facilities. Measured in constant dollars, America's investment in public capital by all levels of government declined by 30 percent from 1965 to 1980. In 1965, 4.1 percent of the Nation's GNP was spent on public works, as compared to just 1.7 percent in 1980. This pattern of declining investment has contributed to an extended period of deferred maintenance to the point where our public civilian facilities are wearing out faster than they are being repaired or replaced.

There are countless examples that many vital public facilities that support economic growth and prosperity are in serious need of repair. The Congressional Budget Office recently completed a study entitled "Public Works Infrastructure Policy Considerations for the 1980's" This report noted that the most pervasive problem affecting the Nation's infrastructure is the physical deterioration resulting in mounting needs for repair, rehabilitation and replacement. It states,

> No area of infrastructure has been wholly unaffected by aging and neglect. For example, most of the nation's highway network shows significant signs of deterioration. Approximately 8 percent of Interstate highway mileage is now classified as "poor," indicating that it is badly deteriorated and in need of resurfacing or rebuilding. Another 34

> percent is in "fair" condition and may be only barely adequate for high-speed traffic. Similarly, the treatment and distribution components of many urban water supply systems are nearing the end of their useful lives; leakage losses of up to 40 percent are not uncommon in the Northeast, where some water mains have been in service for a century or longer. In the nation's inland waterway system, some locks are approaching 80 years of service—30 years beyond the generally accepted limit for safe, efficient operation. And in the area of air traffic control, existing equipment has been outmoded by the development of new, more efficient microchip technology.

Deterioration of existing facilities and insufficient capacity to accommodate future growth can constrain economic development. No matter when the cost of deferred maintenance is figured, there are real costs associated with this Nation's pattern of neglect.

When communities lack the capacity to provide basic public services, they are constrained in their ability to attract new industry or expand existing enterprises. These conditions pose almost insurmountable barriers to economic prosperity and jobs if the level of public service cannot support future economic growth.

The Committee comes to the subject of capital budgeting from two perspectives—(1) the need to protect the American taxpayer's multi-billion dollar investment in these facilities, much of it under the Committee's jurisdiction; and (2) the essential role of infrastructure in the Nation's future economic development.

Historically, the capital budget concept has been discussed as a device to balance the budget by excluding capital expenditures from the total unified budget; as a way to rationalize debt financing; or as a method of attaining other fiscal or budgetary goals. In the context of H.R. 1244, the capital budget has none of those meanings. Rather, it is viewed as an instrument that could provide the basic information and data pool needed for sound decisionmaking at the Federal, State, and local levels.

H.R. 1244 would be part of the unified budget now used by the Federal government. It would expand upon Special Analysis D which provides separate information on Federal outlays for major new physical capital investment. While Special Analysis D provides useful information on the relative magnitude of Federal government investment outlays in the past and in the immediate future, it is not an adequate tool for long-term advance planning and decisionmaking.

In addition to Special Analysis D, this bill would represent a major initiative in gathering together in one place the Nation's major capital investment portfolio and the estimated needs for these facilities in the future. It would require a compilation and standardization of assessment studies by various agencies thus bringing a future orientation into capital investment allocations. Although this represents a significant reduction in the level of detail and array of data as originally proposed in H.R. 1244, the legislation would significantly enhance our planning capabilities which will impact future capital investment decisions. This fore-

sight is particularly important in light of our scarce resources and the demand to maintain and expand our major capital investments.

The Committee encourages OMB to require line agencies to provide a greater level of detail and standardization of inventory data and consistency in needs estimate methodology. The Federal Capital Investment Program Information Act is an important first step in the thoughtful balancing of infrastructure investments as opposed to the piecemeal, project-by-project, year-by-year approach to public works funding. The adoption of a capital budget is a move toward a prospective public policy, rather than a retrospective action too often characteristic of public works decisions.

The information compiled under H.R. 1244 will be of major benefit to the Committee in future legislative deliberations. It will enable the Committee to look ahead and better determine the long-term levels of service desired for each program under its jurisdiction, and to establish optimum levels of authorization to achieve that service. It will provide a standardized needs analysis and summary for each major program area, thus enabling the Committee to accurately compare authorizations between the various capital programs under the Committee's jurisdiction.

With the information provided, and OMB's analysis, the Committee will have a firmer basis on which to make future policy determinations which affect Federal outlays, taking into account future economic assumptions, the applicability of engineering standards to various local conditions and the efforts of State and local governments in similar categories of investment. The Committee will also have in hand, for the first time, the true costs of projects and programs, including anticipated operations and maintenance costs.

From the standpoint of greater regional equity, the Committee, when appropriate, will be able to consider the impacts of all its programs on a State-by-State basis, and to balance funding for programs needed in one region against funding for other program priorities in other parts of the country.

Explanation of the Bill

H.R. 1244 is entitled the "Federal Capital Investment Program Information Act of 1983."

Section 2 of the bill contains five purposes: To provide budget projections for major capital investment programs of the Federal government; to summarize needs assessments for major capital investment programs; to provide information on the relationship of those needs to policy issues and economic variables; to assist State and local capital investment planning; and to improve legislative oversight over Federal capital investment programs.

State and local levels of government should benefit from this analysis. One of the major problems that the Committee found in testimony from witnesses was the lack of predictability on the part of Federal government involvement in major capital investment programs. State and local levels of government could not predict with any amount of accuracy the kinds of support and assistance from Federal sources. Five and ten year projections of investments and assessments should improve the quality of planning on the

part of State and local, as well as the Federal, levels of government.

Improved planning capabilities will give the Congress a legislative oversight tool of capital investment programs.

Section 3 contains the major provisions of H.R. 1244. It amends the statutory authority from which the President submits his annual budget submissions to Congress. Beginning with the 1985 Fiscal Year, four summaries are to be included in the annual budget submissions on major capital investments. They shall identify requested appropriations or new obligation authority and outlays for each major capital investment program.

The first summary is an estimate of current service levels of public capital investments and alternative high and low levels of such investments over a period of ten years in current dollars and over a period of five years in constant dollars. This produces three levels of funding for comparison against needs assessments.

Current dollars are unadjusted for inflation while constant dollars contain OMB inflation assumptions and forecasts over a five-year period.

The second summary contains the most recent assessment analysis and summary, in a standard format, of capital investment needs in each major program area over a period of ten years. This will consolidate annual and biennial assessment studies by several Federal agencies into a standard format with ten-year need projections.

With the first and second summaries, comparisons of investments and assessments can be made to determine the impact of current, lower, and higher spending levels on future capital needs.

The third summary will identify and analyze the major policy issues as they relate to capital investment needs. Policy issues do have an impact on investment needs estimates. Such policies are contained in statutory requirements in such programs as the wastewater treatment plant construction grants program under the Clean Water Act.

The fourth summary would identify and analyze the capital investment needs of each major program, including variables such as economic assumptions, engineering standards, estimates of spending for operation and maintenance, estimates of expenditures for similar investments by State and local governments, and estimates of demand for public services derived from such capital investments and estimates of such service capacity of such investments. Economic assumptions would include such factors as the price of oil on highway and bridge usage. Engineering standards would include such factors as highways and bridge design and access to Federal buildings for the handicapped. Estimates of spending for operation and maintenance by Federal, State and local levels of governments should examine the relation of operation and maintenance expenditures to the age of the facility and the level of funding needed to operate the facility at its designed and useful life cycle. The last part of this analysis examines the demand/supply relationship for public services compared to the capital investments of the public service.

The four summaries will be organized State-by-State and by major metropolitan area within a State for formula grants when

data are available. Block grant programs such as Revenue Sharing and Community Development Block Grants are precluded because recipients have the discretion for a wide range of purposes depending upon the enabling legislation's eligible purposes. Non-formula categorical grants are also precluded because such funds depend upon the eligible circumstances of the applicant which may vary over time.

Public capital investments include any Federally assisted—

(A) highway and bridge;
(B) airport;
(C) airway facility;
(D) mass transportation facility;
(E) wastewater treatment or related facility;
(F) water resource project (including but not limited to storage, transport, treatment and distribution facilities of water and water supply, ports, locks, levees, dams, and irrigation systems);
(G) Veterans Administration hospital; and
(H) other major Federal building and facility.

Definitions for construction and rehabilitation are provided in the bill in order to define two types of capital intensive activities. The Committeee encourages the Office of Management and Budget to direct Federal agencies to apply these definitions uniformly in their data collection activity so that operations and maintenance expenditures are not included in captial items.

In the context of these definitions, "rolling stock" means buses and subway cars.

"Expansion of existing structures" in the context of the term, "construction," includes the addition of capacity for a facility. For example, a new lane for a highway or bridge, the addition of floorspace for a hospital or building and increased capacity for a water treatment plant or related facility.

The Committee expects to work with the Executive Branch to refine the definitions and to make certain they include a more adequate and precise definition of all stages of construction, including design and engineering studies, improvement, acquisition and expansion of existing facilities and operation, maintenance, repair and rehabilitation of capital facilities.

Section 4 authorized the Act for Fiscal Years 1985, 1986, 1987, 1988, and 1989.

Conclusions

This legislation is a step toward improving the Federal government's ability to finance and manage its substantial investment in public capital facilities. Its purpose is to give Congress and the Administration the informational tools on which sound investment decisions can be made. It is an attempt to standardize and aggregate data on capital investments so it can be compared across the program lines. Because of the time constraints and the limited scope of this bill, the initial budget analysis will focus primarily on items where historically there has been a substantial Federal investment, i.e., highways and bridges, airport and airway facilities, wastewater treatment and related facilities and other water resource projects.

The Committee is continuing to review ways to supplement this information. Additional information on other public facilities is essential. In addition, the Committee is seeking more detailed data on operation, maintenance and repair costs, regardless of whether they were undertaken with Federal, State or local funds.

A more thorough examination of the financing methods of all levels of government and the private sector is necessary to assess how each partner can share in the infrastructure financing costs.

The Committee is aware that it is difficult to identify all capital expenditures by all levels of government. However, an examination of management and financing systems for existing facilities strongly suggests that the total life cycle costs, including maintenance, repair and operating expenditures, have not been adequately considered.

Economic, demographic, geographic and technology factors which affect the level of capital investment must be given more careful attention. It is necessary to have more uniform assessment and performance standards, so that policymakers can evaluate the extent and the quality of infrastructure service as it relates to capital investments.

The Committee intends to work with the Office of Management and Budget, the Congressional Budget Office, and State and local officials to assess the new information obtained as a result of this bill. The Committee has some concern over the five-year sunset provision contained in this bill. However, we expect the quality of information and the collection of data to improve. Also, standards for assessing capital facilities as well as the overall decision-making process will be expanded in the next few years. These changes will allow us to shape the budget document so it can be more responsive to public works investment policy decisions. This will allow for more predictable and cost-effective public works investments.

Section-by-Section Analysis of H.R. 1244

A BILL To amend the provisions of title 31, United States Code, relating to the President's budget, to require information regarding major capital investment programs of the United States, and for other purposes

Section 1—Short title: Cites Act as the "Federal Capital Investment Program Information Act of 1983."

Section 2—Purposes: Purposes of Act are to provide budget projections for major Federal capital investment programs; provide a summary of most recent needs assessment for these programs; provide information of needs estimates to major policy issues and technical and economic variables; assist planning capabilities of State and local governments; and to improve legislative oversight.

Section 3—Federal capital investment program report: (1) Amends Section 1105 of title 31 of U.S. Code to add new subsection (e). This subsection requires the President beginning in January of 1984, as part of his annual budget, to provide more detailed information on each major Federal capital investment program. In addition to an analysis of funding requested, it would also require the budget document to include an estimate of the current service levels of public capital investments and alternative high and low levels of such in-

vestments over a period of ten years in current dollars and over a period of five years in constant dollars; the most recent assessment analysis and summary in standard format, of capital investment needs in each major program area over a period of ten years; an identification and analysis of the principal policy issues that affect estimated capital investment needs for each major program; and an indentification and analysis of estimated capital investment needs for each major program.

This information is to be organized by State and major metropolitan area within each State whenever the data are available. (2) Public capital investments include any highway and bridge, airport, airway facility, mass transportation system, wastewater treatment or related facility, water resource project, Veterans' Administration hospital, or other major Federal building or facility. (3) Defines the terms "construction" and rehabilitation."

Section 4—Sunset: This Act applies to budget submissions for the Fiscal Years 1985, 1986, 1987, 1988 and 1989.

Compliance With Clause 2(l) of Rule XI of the Rules of the House of Representatives

(1) With reference to clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, no separate hearings were held on the subject matter of this legislation by the Subcommittee on Investigations and Oversight. However, the Subcommittee on Economic Development held hearings on legislation to establish a Federal capital budgeting process in September of 1982. A Committee Print (97-69) entitled "Capital Budgeting" reporting on these hearings was printed in December 1982. In addition, the Subcommittee held hearings in April and May of this year which resulted in this reported bill.

(2) With reference to clause (2)(l)(3)(B) of rule XI of the Rules of the House of Representatives no compliance is required because the measure does not provide for new budget authority or new or increased tax expenditures.

(3) With reference to clause (2)(l)(3)(c) of rule XI of the Rules of the House of Representatives, the committee has received a letter prepared by the Director of the Congressional Budget Office under section 403 of the Congressional Budget and Impoundment Control Act of 1974. The letter is as follows:

U.S. Congress,
Congressional Budget Office,
Washington, D.C., May 16, 1983.

Hon. James J. Howard,
Chairman, Committee on Public Works and Transportation, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

Dear Mr. Chairman: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has reviewed H.R. 1244, the Federal Capital Investment Program Information Act of 1983, as amended and ordered reported by the House Committee on Public Works and Transportation, May 11, 1983.

Based on this review, the Congressional Budget Office estimates that enactment of this bill would not result in any significant additional costs to the federal government and would not result in any additional costs to state and local governments. The bill would require the President to provide more detailed information on major federal capital investment programs as part of his annual budget submission. For the purposes of this estimate, the Congressional Budget Office has concluded that all data required for the report are available without significant additional work by the Office of Management and Budget or other federal agencies. Any necessary data not readily available would require additional effort at the affected agencies and could result in additional costs to meet the requirements of the bill.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

JAMES BLUM,
(For Alice M. Rivlin, Director).

(4) With reference to clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

(5) With reference to clause 2(l)(4) of the rule XI of the Rules of the House of Representatives, the following information is provided: The effect of carrying out H.R. 1244, as reported, is to require additional information regarding major capital investment programs of the United States be included in the President's budget document. This requirement will not have an inflationary impact on prices and costs in the operation of the national economy.

COST OF THE LEGISLATION

With reference to rule XIII (7) of the Rules of the House of Representatives, there is no cost other than minimal administrative costs to the United States in carrying out H.R. 1244, as reported in fiscal year 1983, and in each of the five following fiscal years.

COMMITTEE RECOMMENDATIONS

The Committee in compliance with rule XI(2)(l)(2)(A), the majority of the Committee having actually been present, reports favorably the bill H.R. 1244, as amended, and recommends it enactment as reported.

VOTE

In compliance with rule XI clause 2(l)(2)(B), the Committee ordered the bill reported by voice vote.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill,

as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SECTION 1105 OF TITLE 31, UNITED STATES CODE

Subtitle II—The Budget Process

* * * * * * *

CHAPTER 11—THE BUDGET AND FISCAL, BUDGET, AND PROGRAM INFORMATION

* * * * * * *

§ 1105. Budget contents and submission to Congress

(a) * * *

* * * * * * *

(e)(1) The President shall submit with materials related to each budget transmitted under subsection (a) on or after January 1, 1984, an analysis for the ensuing fiscal year that shall identify requested appropriations or new obligational authority and outlays for each major program that may be classified as a public capital investment program and shall contain summaries of the total amount of such appropriations or new obligational authority and outlays. In addition, the analysis under this paragraph shall contain—

(A) an estimate of the current service levels of public capital investments and alternative high and low levels of such investments over a period of ten years in current dollars and over a period of five years in constant dollars;

(B) the most recent assessment analysis and summary, in a standard format, of capital investment needs in each major program area over a period of ten years;

(C) an identification and analysis of the principal policy issues that affect estimated capital investment needs for each major program; and

(D) an identification and analysis of factors that affect estimated capital investment needs for each major program, including but not limited to the following factors:

(i) economic assumptions;

(ii) engineering standards;

(iii) estimates of spending for operation and maintenance;

(iv) estimates of expenditures for similar investments by State and local governments; and

(v) estimates of demand for public services derived from such capital investments and estimates of the service capacity of such investments.

To the extent that any analysis required by this paragraph relates to any program for which Federal financial assistance is distributed under a formula prescribed by law, such analysis shall be organized by State and within each State by major metropolitan area if data is available.

(2) For purposes of this subsection, any appropriation, new obligational authority, or outlay shall be classified as a public capital investment to the extent that such appropriation, authority, or outlay will be used for the construction or rehabilitation of any—

(A) highway or bridge,

(B) airport,

(C) airway facility,

(D) mass transportation system,

(E) wastewater treatment or related facility,

(F) water resource project,

(G) Veterans' Administration hospital, or

(H) other major Federal building or facility.

(3) For purposes of this subsection—

(A) the term "construction" includes site acquisition for and planning and erection of new structures, acquisition and expansion of existing structures, the acquisition and installation of initial equipment for such structures, and the acquisition of rolling stock; and

(B) the term "rehabilitation" includes the alteration of an existing structure so as to extend the engineered design life of the structure, the acquisition and installation of initial equipment or the modernization or replacement of such equipment, and the modernization of, or replacement of parts for, rolling stock.

ADDITIONAL VIEWS OF REPRESENTATIVE BOD EDGAR

The approval of H.R. 1244 by the Public Works and Transportation Committee represents a major step forward in a process which was begun over a year ago by Representative Clinger and I and a number of other members. Over the last year, my strong feeling that current public works policies and procedures must be substantively reformed has been guided by Bill Clinger's ideas for improvements of capital budgeting and planning processes at the federal level.

The basic concept of this legislation is simple: that our national public facilities ought to be inventoried on a rational basis, our spending priorities weighed across a wide range of capital needs, and decisions made on a rational, non-political basis in regard to funding of operation and maintenance, rehabilitation, and construction of public facilities. The national infrastructure problem is profound. Estimates of needed repairs, maintenance, and construction range into the hundreds of billions or trillions of dollars. The costs to productivity and economic growth of failure to address these needs is even more disastrous.

Admittedly, the version of H.R. 1244 contained in this report does not go as far as the bill Mr. Clinger and I originally drafted. There is no new inventory and needs survey nation-wide, and the range of facilities examined sticks to a narrow list of infrastructure programs which have relied heavily on traditional federal funding. This does not mean, I think, that we fail to recognize the difficulties faced by states and localities in maintaining the facilities for which they are responsible. As we begin to address capital investment issues at the federal level, I believe we should continue a dialogue with cities, counties, and states to address the problem of deteriorating infrastructure at all levels of government.

However, the current version of H.R. 1244 represents a compromise with the Office of Management and Budget which I firmly hope will be supported and fully carried out by the executive branch. The Congressional Budget Office and the General Accounting Office both have pointed out in recent studies the inadequacies of capital planning at the federal level and suggested reforms in terms of a framework for rational priorities. I believe that this bill would go a long way toward carrying out those reforms.

No longer should we make and justify capital investment decisions on a piecemeal, project-by-project, year-by-year basis. The capital investment choices in each year's federal budget should be based on a long-term plan of maintenance, repair, and replacement of our facilities. Such planning should replace our traditional fascination with new construction and politically motivated ribbon-cutting. This legislation would place the decision-making process for major federal programs within a ten-year framework, taking a for-

ward look at the economic, technical, and policy considerations which will shape federal capital investments into the future.

Again, committee approval is a significant step in the process. Efforts must be made to achieve Senate cooperation, and the Administration must be held to commitments made in negotiating the compromise version of HR 1244. Moreover, I believe that we should continue to pursue some of the broader initiatives originally conceived in HR 1244, even though this will require a longer-term effort.

BOB EDGAR.

○

98TH CONGRESS
1st Session

HOUSE OF REPRESENTATIVES

REPT. 98-154
Part 1

INDEPENDENT SAFETY BOARD AUTHORIZATION

MAY 16, 1983.—Ordered to be printed

Mr. HOWARD, from the Committee on Public Works and Transportation, submitted the following

REPORT

[To accompany H.R. 1707 which on February 28, 1983, was referred jointly to the Committee on Public Works and Transportation and the Committee on Energy and Commerce]

[Including cost estimate and comparison of the Congressional Budget Office]

The Committee on Public Works and Transportation, to whom was referred the bill (H.R. 1707) to amend the Independent Safety Board Act of 1974 to authorize appropriation for fiscal years 1984, 1985, and 1986, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The reported bill authorizes appropriations for the National Transportation Safety Board (NTSB). The NTSB was created by the Department of Transportation Act of 1966, and was established as an independent federal agency by the Independent Safety Board Act of 1974. The Board's responsibilities include investigating and determining the probable cause of accidents in five transportation areas: aviation, highways, rail, pipeline, and marine. Following it investigation, the Board also has the responsibility of making recommendations to Federal, State, and local agencies to prevent the recurrence of accidents. The Board is also responsible for conducting special studies and investigations on matters pertaining to transportation safety and reviewing and evaluating the performance of other transportation agencies in achieving safety.

The last authorizing legislation for NTSB was Public Law 97-94 authorizing the Board to the end of fiscal 1983.

In the past two years the Board has conducted a number of extremely important investigations, including the World Airways' accident at Boston Logan International Airport, where a DC-10 loaded with 210 passsengers overran an ice and snow-covered

11-006 O

H643-5

runway and plunged into the waters of Boston Harbor killing two passengers; the crash of an Air Florida 737 in the Potomac River near Washington, D.C., which claimed 78 lives; the crash of a Pan Am 727 at Kenner, Louisiana, which claimed 158 lives; the capsizing of the off-shore drilling unit "Ocean Ranger" off the coast of Newfoundland, killing 84 persons; and a fatal accident on the Washington, D.C. Metro system in which a rush-hour train derailed. The Board has also conducted many important general investigations, including the safety of the air traffic control system following the PATCO strike, subway fires on the N.Y. City Transit Authority, alcohol-related automobile accidents, and the need for child safety seats for automobiles.

The Board has completed these and many other investigations despite the reduced staffing which resulted from the budget and appropriations processes. The last authorization bill authorizing funding would have allowed the Board a staff of approximately 380 persons. Although this would have been the lowest level of staffing in six years, the Committee felt that the necessary cuts could be made from support positions while preserving the agency's technical capabilities. The Committee felt that any further reduction in staffing would have to come from the technical staff and would jeopardize the Board's ability to carry out its mission. Regrettably, during the last three fiscal years the funds actually made available to the Board have been well below the authorized levels.

The following chart shows that by the end of fiscal 1982 the Board's staff has been cut back by 27 percent as a result of that year's low appropriation level of $17.7 million.

TABLE I.—NATIONAL TRANSPORTATION SAFETY BOARD FUNDING AND STAFFING

	Authorized	Administration proposed budget	Appropriations	Staff level
Fiscal year:				
1981	18,540,000	18,223,000	18,416,000	401 (February 1980)
1982	19,925,000	[1] 19,825,000	.....	
	.....	19,025,000	.....	
	.....	16,742,000	[2] 17,700,000	292 (September/October 1982)
1983	22,100,000	17,700,000	19,970,000	316 (March 1983)
1984	.....	19,735,000	.....	

[1] The first number for fiscal year 1982 represents the final budget of the Carter administration. The next 2 numbers represent March and September revisions to the fiscal year 1982 budget submitted by the Reagan administration.

[2] Plus $1,000,000 supplemental enacted September 10, 1982.

The reduced staffing has had a measurable impact on the work of the Board. For example, the time required for the Board to issue accident reports has been increasing. Between 1981 and 1982 the average time required for aviation accident reports rose from 8.6 to 10.8 months; the time for rail reports rose from 5.8 to 6.7 months; and the time for highway reports rose from 5.6 to almost 8 months. The Board's output has also declined in absolute terms. Between 1981 and 1982 the Board investigated 18 percent fewer accidents, and issued 25 percent fewer major reports and 20 percent fewer major safety recommendations.

As a result of the staffing cuts the Board has lost professional staff in key technical areas, such as flight data, cockpit voice re-

corders, meterology, and human factors. This has curtailed the Board's ability to send experts to the scene of many major accidents.

The bill reported by the Committee is designed to begin reversing this unfortunate decline in the Board's capabilities. The reported bill calls for three years of authorization: $22.6 million for fiscal 1984; $24.5 million for fiscal 1985, and $26.1 million for fiscal 1986. These funds will enable the Board to stabilize at a staffing level of 347 positions and to increase the Board's ability to investigate the role human factors play in transportation accidents. It will be noted that these staffing levels are well below staffing of February 1980, and below the level recommended by the Committee in the last authorization. The Committee feels that these levels are the minimum required for the Board to carry out its important mission.

Finally, it should be emphasized that one of the major concerns of this Committee throughout the years has been the field of safety. This Committee back in the 1960's was a leader in the field of highway safety and was responsible for major legislation dealing with safety on the highways. Since obtaining jurisdiction of the civil aviation program in 1975, this Committee has been equally concerned with safety in the air and has further been concerned with proper funding for such an effective organization as the National Transportation Safety Board. The Committee emphasizes and feels strongly that a continuing decline in the resources available to the National Transportation Safety Board does a further disservice to the protection and well-being of all of our fellow Americans who rely so heavily on the various modes of transportation. The Committee urges that every effort be made to sustain funding for the National Transportation Safety Board so the Board can carry on its vital work.

Committee Action and Vote

With respect to Clause (2)(1)(2)(A) and (B) of Rule XI of the Rules of the House of Representatives, the Committee, with a majority actually present, favorably reported, by voice vote, H.R. 1707 on May 11, 1983.

Oversight Findings and Recommendations

With respect to Clause (2)(1)(3)(A) of Rule XI of the Rules of the House of Representatives, the Committee reports that no separate hearings were held on the subject matter of the legislation by the Subcommittee on Investigations and Oversight. The Subcommittee on Aviation held a hearing on H.R. 1707 on March 16, 1983.

With respect to Clause (2)(1)(3)(D) of Rule XI of the Rules of the House of Representatives, the Committee has not received a report from the Committee on Government Operations pertaining to this subject matter.

Congressional Budget Act Requirements

With respect to Clause (2)(1)(3)(B) of Rule XI of the Rules of the House of Representatives, and in compliance with Section 308(a) of the Congressional Budget Act, the Committee reports that H.R.

1707 does not provide any new budget authority or new or increased tax expenditures.

With respect to Clause (2)(1)(3)(C) of Rule XI of the Rules of the House of Representatives, the Committee has received the following report prepared by the Director of the Congressional Budget Office under Section 403 of the Congressional Budget Act.

[The report follows:]

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., May 11, 1983.

Hon. JAMES J. HOWARD,
Chairman, Committee on Public Works and Transportation, U.S. House of Representatives, Rayburn House Office Building, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to Section 403 of the Congressional Budget Act of 1974, the Congressional Budget Office has prepared the attached cost estimate for H.R. 1707, a bill to amend the Independent Safety Board Act of 1974 to authorize appropriation for fiscal years 1984, 1985, and 1986, and for other purposes.

Should the Committee so desire, we would be pleased to provide further details on this estimate.

Sincerely,

ALICE M. RIVLIN, *Director.*

CONGRESSIONAL BUDGET OFFICE, COST ESTIMATE

1. Bill number: H.R. 1707.

2. Bill title: A bill to amend the Independent Safety Board Act of 1974 to authorize appropriation for fiscal years 1984, 1985, and 1986, and for other purposes.

3. Bill status: As ordered reported by the House Committee on Public Works and Transportation, May 11, 1983.

4. Bill purpose: The bill authorizes appropriation of $22.6 million for fiscal year 1984, $24.5 million for fiscal year 1985, and $26.1 million for fiscal year 1986 for the National Transportation Safety Board (NTSB).

The 1984 authorization level in this bill for NTSB is approximately 13 percent higher than that currently appropriated for 1983 ($22.6 million vs. $20.0 million) and is approximately 15 percent higher than that requested by the Administration for 1984 ($22.6 million vs. $19.7 million).

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1984	1985	1986	1987	1988
Authorization level	22.6	24.5	26.1	.....	.....
Estimated outlays	20.3	24.3	25.9	2.7	.....

Including outlays from prior years' budget authority enacted to date, total fiscal year 1984 outlays for the NTSB will be $22.3 million assuming the funding levels in this bill.

The costs of this bill fall within budget function 400.

Basis of estimate: All funds authorized are assumed to be appropriated. Outlays were estimated using recent historical disbursement rates of 90 percent the first year and 10 percent the second year.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: The Administration estimates total fiscal year 1984 outlays of $19.8 million assuming approval of its budget authority request of $19.7 million.

8. Previous COB estimate: None.

9. Estimate Prepared by: Patrick J. McCann.

10. Estimate Approved by: C. G. Nuckols, James L. Blum, Assistant Director for Budget Analysis.

Inflationary Impact Analysis

With respect to clause (2)(1)(4) of Rule XI of the Rules of the House of Representatives, the Committee reports that there should be no inflationary impact on prices and costs in the operation of the national economy by enactment of H.R. 1707.

Cost Estimate of Legislation

With respect to clause (7)(a)(1) of Rule XIII of the Rules of the House of Representatives, the Committee reports that H.R. 1707 authorizes appropriations of $22.6 million for fiscal year 1984, $24.5 million for fiscal year 1985, and $26.1 million for fiscal year 1986 for the activities of the National Transportation Safety Board. With respect to Clause (7)(a)(2) of Rules XIII of the Rules of the House of Representatives no cost estimate of H.R. 1707 different than the Committee's was submitted to the Committee by a Government agency.

Changes in Existing Law Made by the Bill, as Reported

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Section 309 of the Independent Safety Board Act of 1974

AUTHORIZATION OF APPROPRIATIONS

Sec. 309. There are authorized to be appropriated for the purposes of this Act not to exceed $12,000,000 for the fiscal year ending June 30, 1975; and $12,000,000 for the fiscal year ending June 30, 1976, such sums to remain available until expended. There are authorized to be appropriated for the purposes of this Act not to exceed $16,420.000 for the fiscal year ending September 30, 1979, and $17,650,000 for fiscal year ending September 30, 1980, such sums to remain available until expended. There are authorized to be appropriated for the purposes of this Act not to exceed $18,540,000 for the fiscal year ending September 30, 1981, $19,925,000 for the fiscal year ending September 30, 1982, and $22,100,000 for the fiscal year ending September 30, 1983, such sums to remain available until expended. *There are authorized to be appropriated*

for the purposes of this Act not to exceed $22,600,000 for the fiscal year ending September 30, 1984, $24,500,000 for the fiscal year ending September 30, 1985 and $26,100,000 for the fiscal year ending September 30, 1986, such sums to remain available until expended.

○